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# Research Activities of the Economics and Research Branch of the Canada Department of Labour

George Saunders

*The author is surveying the activities of the Economic and Research Branch in the Department of Labour (Ottawa). Collecting and analysing statistical series in the labor field are the most important ones. In-depth research projects are concerned with relationships between labor data and other related economic variables.*

## Introduction

For my part on this panel, I have been asked to survey the research activities of the Economics and Research Branch of the Federal Department of Labour.

The work of the Economics and Research Branch is currently going through a period of re-organization as a result of the recent change in responsibilities of the Department of Labour. This change follows the Prime Minister's announcement last December of the establishment of the proposed Department of Manpower.

Previous to this announcement, the research activities of the Economics and Research Branch covered both manpower and industrial relations. With the establishment of the proposed Department of Manpower, the Economics and Research Branch has been split with almost half of its positions going to the Department of Citizenship and Immigration, which foreshadows the new Department of Manpower, and the remainder staying with the Department of Labour.

The part of the Branch which has moved to the Department of Citizenship and Immigration is cur-

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rently in the process of expanding the research program begun in the old Economics and Research Branch into new areas of manpower research.

I will not be reporting on these activities in this talk. Rather my talk will center on the research activities that have been left with the Department of Labour, namely those activities concerned with industrial relations and labour standards. These research activities, which are a continuation of the program begun in the old Economics and Research Branch, are now being expanded to meet the new needs of the Department of Labour.

The Economics and Research Branch is, as it was before the split, the research arm of the Federal Department of Labour. Its current function is to conduct economic and social analyses and research in the industrial relations and labour standards fields. The Branch conducts studies of wages, working conditions, union organization, collective bargaining and industrial disputes on a continuing basis. Results of these studies are made available not only to the federal government but also to labour and management, to international agencies and to the general public through regular reports issued by the Branch and through the Department's *Labour Gazette*.

To perform these services, the activities of the Branch are divided basically into three major functions: statistical, current analysis or intelligence and basic research.

The Branch has about 70 positions with which to carry on its work. More than 30 of these positions are in the professional and technical classes and the remainder are in the clerical and stenographic classes. Most of the professional personnel employed in the Branch are general economists, labour economists including industrial relations specialists and statisticians.

I propose now to review briefly the work of the Branch under each of the three major functions. Since this session is concerned with research activities, the major emphasis in this review will be on the basic research function which I will take up after discussing the statistical and current analysis functions.

## Statistical Function

The statistical activities of the Branch include the annual surveys of wages, working conditions and labour organizations in Canada, the survey of strikes and lockouts and the monthly reports on collective bargaining settlements. The annual surveys of wages and working conditions cover all establishments with 15 or more employees in the areas and industrial sectors surveyed and smaller establishments in certain industries such as retail trade, printing and publishing and machine shop products. The survey of labour organizations, which obtains information on union membership and union officials, covers all trade unions as defined in the annual Report on *Labour Organizations in Canada*; and the monthly reports on collective bargaining settlements cover all negotiating units with 500 or more employees exclusive of construction. The results of these surveys are made available in published reports.

Attached to this statistical function is a continuing developmental research activity. The purposes of this activity are to maintain the surveys on a sound statistical basis and to ensure the continued production of useful information both for current use by government officials and the public and for use in research. The most important activity in this developmental research is assessing survey methodology. Because of the growing size of the survey operation and the increasing complexity of the Canadian economy, this activity has been increased during the past year. For example, we are currently exploring more manageable methods of conducting our surveys of wages and working conditions. These two surveys which are held in October for wages and in May for working conditions each cover more than 30,000 employers. The surveys are based on mailed questionnaires sent to each employer. An example of the magnitude of the task is illustrated in the wages survey which is a survey of wage rates by occupation. In this survey close to 1,000 separate occupations in 85 different industries yielding information on more than half a million wage rates are reported and processed each year.

Another developmental activity currently underway is an investigation of ways of making statistical information available closer to the survey date than now is the case. In this respect we are investigating the possibility of publishing preliminary information from the October 1st wage survey before December 1st. Examples of other research

activities related to the survey operation now under way are revision and expansion of the index of wage rates which is designed to measure wage changes by industry in Canada; and a study of the feasibility of extending the surveys of wages, working conditions, labour organizations and collective bargaining into new or expanding areas of employment. With regard to new areas of employment, we are particularly anxious to know more about the extent and behaviour of organizations of workers in areas which are not now covered by the survey of labour organizations. We have evidence that there is considerable labour activity in these areas, particularly among professional and technical personnel and personnel in the newer service sectors such as health, education and entertainment. Because of the rapidly growing importance of these areas of employment, it is important that they be included in our survey activities and information on their industrial relations be made available on a regular basis.

### **Current Analysis or Intelligence Function**

In this function, special statistical studies are undertaken of wages, working conditions, trade unions and collective agreements based on the information collected in the various Branch surveys. These studies provide more information on particular items in these areas than is available in the regularly published reports of the results of the surveys. For example, through the medium of the Labour Management Research Series Bulletins, a range of information and analyses have been provided on such subjects as income security, sickness and accident provisions, shift work and collective agreement provisions in major manufacturing establishments.

These studies are undertaken on a select basis with the subject of inquiry being chosen for its relevance and importance at the time of the investigation. For example, the professional staff in this area of activity is currently engaged in studies of supplemental unemployment benefit plans in Canadian industry, industrial pension plans, provisions in collective agreements covering office workers and collective agreement provisions that are emerging as a result of technological change. These subjects are of current interest and because of the numerous requests we are receiving for information on them from labour, management, universities and other government agencies, they have a high priority in our program. Plans are also being made to conduct a study of private medical plans in Canadian industry, to update the study of

collective agreements provisions in manufacturing and to survey the new file of trade union constitutions which has been established in the Branch as a result of the operation of the Corporations and Labour Unions Returns Act. It is planned to continue our policy of publishing the results of these surveys and studies in the Labour-Management Research Series Bulletins.

In addition, the Branch maintains a small unit to carry on a continuing analysis of the labour force, employment and unemployment and related aggregate economic variables.

It should be noted that the staff working in this area of the Branch is also responsible for a considerable amount of analytical work for senior officials of the Department and other Government agencies. Because of the confidential nature of much of this part of the work, the results of this activity are not usually published.

### **Basic Research Function**

The third major function of the Branch is what I have termed basic research to distinguish it from our other activities. This function involves searching investigations of problems with a view to discovering and establishing meaningful and significant relationships and testing and formulating hypotheses. Work in this area is generally policy oriented and its purpose is to establish a sound basis for evaluating and revising policy.

This function has only recently been developed on a regular basis in the Economics and Research Branch. I would date its development from about the mid-50's when the Branch undertook extensive research into training and manpower problems. About seven years ago the Branch established a research section to undertake fundamental enquiries on a regular basis into wage and industrial relations problems. Progress and development of this activity have been hampered by difficulties in recruiting staff who are specially trained for this kind of research. During the past year, however, the Branch has had some success in up-grading and expanding this activity.

Much of the research done in this area of the Branch is published through the Department of Labour's publication program including its recently inaugurated Occasional Paper Series. Officers are also encou-

raged to make the findings of their research available through seminars, conferences and professional journals.

Examples of some of the projects currently occupying Branch staff are listed below.

#### 1) STUDIES OF WAGE DETERMINATION

Under this head the Branch has underway a number of studies which are designed to investigate the wage structure and the factors affecting it, the role of collective bargaining in wage determination, the relationship between wages and prices and the impact of wage behaviour in Canada on the competitive position of Canadian industries heavily involved in international trade.

Examples of particular studies include:

- a) a study of the relationship between wages, costs of production and the international competitive position of a number of individual Canadian industries exposed to export or import competition. The study examines this relationship back to 1953 and includes international wage and cost comparisons;
- b) a study of the structure of collective bargaining and pattern bargaining in Canada. This study involves a description of the structure of collective bargaining in Canada and an industry by industry investigation in depth of the factors determining this structure; and an analysis of the extent and nature of pattern bargaining, that is, the inter-relationship of collective bargaining settlements in Canadian industry. The study includes an historical analysis of the structure of collective bargaining back to 1953, with some material and analysis being presented back to World War II;
- c) a study of wage-price relations. This study is a statistical investigation of these relations based on the extensive statistics which are available in Canada on an industry basis, especially wage and prices statistics. These statistics are available for a number of years and since they are not available nearly to the same extent in other countries, they provide a unique opportunity for the staff of the Branch to make an original contribution to the subject of wage-price relations, a subject which is uppermost in the minds of Canadians today.

## 2) STUDIES OF COLLECTIVE BARGAINING AND INDUSTRIAL RELATIONS

In this area of investigation the Branch is concerned with questions of how collective bargaining is coping with new problems and the role of collective bargaining and the industrial relations system in the achievement of economic and social objectives. The study of the structure of collective bargaining mentioned above will provide some of the basic information for an understanding of collective bargaining relationships in Canada.

In addition, a study is underway on the impact of technological change on collective bargaining and industrial relations. The purpose of the study is to determine the ways in which technological change is affecting the collective bargaining relationship and how collective bargaining is adapting to the problems arising from the introduction of new technology. Information for the study comes mainly from the collective agreements file maintained in the Economics and Research Branch. Field work designed to examine the ways in which the parties are adjusting to new technology in practice is an integral part of the research design. An experimental field study of the relationship between technological change and industrial relations in a large establishment is near completion and should be ready for publication later this year.

An important study being planned for this summer is a basic investigation into the structure and content of collective bargaining in the construction industry. The study will examine collective bargaining and collective agreements in the construction industry back to the early postwar period. Since labour statistics for this industry are limited, the study will also provide the basis for closing this statistical gap and setting the stage for a consideration of more complete and more regular information on this important industry.

The key position of collective bargaining and industrial relations in the Canadian economy today has provided an important impetus to research efforts in this area. Accordingly, a larger research and informational program is being planned to study various aspects of industrial relations with a view to assessing in greater depth than has been possible the relationship between collective bargaining and national economic and social objectives, and to develop more effective programs for promoting and encouraging collective bargaining to make a greater



contribution to these goals. At the same time efforts are being made to strengthen the Branch's research capabilities in this area by establishing additional positions and hiring the necessary personnel to carry this work forward.

### 3) LABOUR STANDARDS STUDIES

With the passage of the Canada Labour (Standards) Code last July, the Department has increased its research on labour standards problems. Special surveys of wages and working conditions in industries under the jurisdiction of the Parliament of Canada have been undertaken and the results are now being tabulated to help determine the impact of the Labour Code on wages, hours of work and working conditions in affected establishments.

Broader economic analyses of minimum wages and working conditions standards are also being planned. As part of this broader research effort a study of hours of work in Canada is currently under way. The purpose of the study is to examine the relationship between hours of work and output and employment. The study includes an historical analysis of trends in hours of work and a comprehensive economic and institutional analysis of the factors affecting hours of work. The development of an historical series of hours of work back to the turn of the century is part of this research. This series is near completion and should be ready for publication later this year.

Special studies of individual industries under federal jurisdiction are an integral part of the research program on labour standards. At the moment, a study of the system of wage payment in the running trades of the Canadian railways is in progress. This study examines this system at the time of the McAdoo Award in 1918 and the impact of this Award on the payment system since that time to the present.

The research program of the Branch is carried out under the supervision of research officers working individually or in teams. These officers have access to research, clerical and stenographic assistance, extensive computer and library facilities and the statistical surveys of the Branch for purposes of conducting special surveys for information related to the research program. Some of the research studies are being undertaken in co-operation with other agencies such as the Economic Council of Canada for its price reference project and the

Canadian Construction Association for its Centennial Labour Relations Inquiry. A number of the studies include personnel drawn from the universities either on contract or through the Branch's summer research program. These personnel range from undergraduates to full professors who help us with our research program by working on assignments while at their universities or while spending time in the Branch during the summer months.

The professional staff is also involved in research programs with the various international agencies including the International Labour Organization, the Organization for Economic Co-operation and Development, the United Nations and the International Monetary Fund. Arrangements for the conduct of this work vary. In the past, much of this work was done directly in the Branch in response to requests for information from the international agencies. Recently an increasing amount of our international work is being done either on a joint basis involving the participation of various countries in studies sponsored by the agencies or through the secondment of Branch staff to agency headquarters for varying lengths of time to work with agency staff. Work for the international agencies has been increasing in the past several years and we expect it to continue to increase. We feel that this particular activity in the Branch to be an important part of our work since we have much to benefit from the international exchange of ideas, information and experience.

## Conclusion

In conclusion, this survey of research activities in the Economics and Research Branch gives an idea of the extent of the Branch's work and interests and the role the Branch is playing in labour economics research in Canada.

The survey does not, however, exhaust the Department of Labour's research interests. Important research and informational studies are also undertaken from time to time in other Branches of the Department. In addition, the Department sponsors the Labour Department-University Research Program. Through this program important research in universities and elsewhere is supported by grants made to individuals and research teams. In this way, as well as through its summer research program and contract work, the Department is also playing an important role encouraging students in labour economics and in increasing the interests of scholars and the universities in this discipline in Canada.

## LES ACTIVITÉS DE RECHERCHES DU DÉPARTEMENT D'ÉCONOMIQUE ET DE RECHERCHE DU MINISTÈRE FÉDÉRAL DU TRAVAIL

A la suite de l'annonce de la citation d'un ministère de la main-d'oeuvre, certaines activités du département d'économie et de recherches du Ministère du Travail deviendront la responsabilité du nouveau Ministère. C'est pourquoi cette communication se limitera à l'analyse des activités qui ont été laissées au département d'économie et de recherches de notre Ministère.

Présentement, ces activités consistent dans les recherches économiques et sociologiques dans les champs des relations industrielles et des standards de travail. A cette fin, le département emploie 70 personnes dont plus de trente sont des professionnels (économistes, statisticiens, spécialistes des relations industrielles).

Le résultat de leurs recherches est porté à la connaissance du public soit par le truchement des rapports particuliers soit par celui de la Gazette du Travail.

### II—COLLECTION DES STATISTIQUES

Les activités du département dans le domaine statistique comprennent les enquêtes annuelles sur les salaires, les conditions de travail et les organisations ouvrières au pays ; les enquêtes sur les grèves et les lock-outs et les rapports mensuels sur les ententes collectives.

En plus de cela, le département tente continuellement d'améliorer sa méthodologie des enquêtes. La complexité croissante de l'économie canadienne l'exige.

Le département poursuit également ses efforts dans le but de publier plus rapidement le résultat de ses enquêtes afin que l'information statistique parvienne aux intéressés à une date aussi rapprochée que possible de celle de l'enquête.

Enfin, le département est en train de reviser et d'améliorer son indice des taux de rémunération, plus particulièrement d'étendre ses enquêtes à des secteurs d'emploi non couverts jusqu'ici (les professions, le personnel technique, les services en expansion : santé, éducation, amusements).

### III—ANALYSE STATISTIQUE

Le département entreprend aussi des études spéciales dans le but de fournir des informations supplémentaires qui n'apparaissent pas dans ses publications régulières. C'est ainsi qu'il a déjà publié des études sur les clauses des conventions collectives reliées à la sécurité du revenu, l'assurance maladie, etc., et qu'on est en train d'en compléter sur les bénéfices supplémentaires d'assurance-chômage, les plans de caisse de retraite, etc.

Le département fait également, pour le bénéfice des autorités supérieures du ministère et d'autres agences gouvernementales, des études particulières qui, en raison de leur caractère confidentiel, ne sont pas publiées.

## IV—RECHERCHES FONDAMENTALES

Enfin, le département poursuit également des recherches dans le but de découvrir et d'établir des relations significatives entre diverses variables économiques et de vérifier ou de formuler certaines hypothèses de travail. Ces recherches sont habituellement d'établir une base solide pour la révision ou la formulation des politiques concernant le travail.

Ce genre de recherches est assez récent au département mais on est en train de le développer davantage.

C'est ainsi qu'on poursuit actuellement des recherches sur la détermination des salaires, sur les relations industrielles et la négociation collective et sur les standards de travail et qu'on a des projets de recherches sur les salaires minimums, les heures de travail et leurs relations avec la production et l'emploi, etc.

## CONCLUSION

Cette communication donne une idée des activités du département mais n'épuise pas tous les intérêts qu'il peut avoir dans le domaine des recherches. C'est ainsi que le département encourage les recherches conjointes avec les universités, tente d'intéresser davantage de chercheurs universitaires aux recherches dans le domaine du travail.

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